

CITY OF MINNEOLA, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2018**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
Minneola, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Minneola, Kansas and its related municipal entity, the Minneola City Library (collectively referred to as the Municipal Financial Reporting Entity), as of and for the year ended December 31, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the Municipal Financial Reporting Entity on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Municipal Financial Reporting Entity as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Municipal Financial Reporting Entity as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget and the individual fund schedules of regulatory basis receipts and expenditures (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Municipal Financial Reporting Entity as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated October 5, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <https://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for year ended December 31, 2018 (Schedule 2 as listed in the table of contents), is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

September 27, 2019

CITY OF MINNEOLA, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2018

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General fund:		
General	\$ 175,631	\$ -
Special purpose funds:		
Library	2,788	-
Library employee benefits	358	-
Employee benefits	16,321	-
Special highway	665	-
Equipment reserve	67,632	-
Capital improvements	78,245	-
Total special purpose funds	166,009	-
Bond and interest fund:		
Bond and interest	34,463	-
Business funds:		
Water utility	51,396	-
Sewer utility	13,231	-
Trash utility	2,860	-
Total business funds	67,487	-
Total City of Minneola	443,590	-
Related municipal entity:		
Minneola City Library	76,785	-
Total municipal financial reporting entity	\$ 520,375	\$ -
Composition of cash:		
Checking		
Debit card		
Money market		
Certificate of deposit		
Total City of Minneola		
Related municipal entity		
Total municipal financial reporting entity		

The notes to the financial statement are an integral part of this statement.

STATEMENT 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
<u>\$ 486,417</u>	<u>\$ 479,068</u>	<u>\$ 182,980</u>	<u>\$ 351</u>	<u>\$ 183,331</u>
19,291	17,880	4,199	-	4,199
2,157	2,075	440	-	440
14,775	22,591	8,505	-	8,505
48,767	42,272	7,160	-	7,160
46,000	66,232	47,400	-	47,400
<u>101,550</u>	<u>46,665</u>	<u>133,130</u>	<u>-</u>	<u>133,130</u>
<u>232,540</u>	<u>197,715</u>	<u>200,834</u>	<u>-</u>	<u>200,834</u>
<u>43,176</u>	<u>51,050</u>	<u>26,589</u>	<u>-</u>	<u>26,589</u>
191,764	194,569	48,591	-	48,591
79,890	66,360	26,761	-	26,761
<u>47,391</u>	<u>41,702</u>	<u>8,549</u>	<u>-</u>	<u>8,549</u>
<u>319,045</u>	<u>302,631</u>	<u>83,901</u>	<u>-</u>	<u>83,901</u>
1,081,178	1,030,464	494,304	351	494,655
<u>47,235</u>	<u>59,636</u>	<u>64,384</u>	<u>6,957</u>	<u>71,341</u>
<u>\$ 1,128,413</u>	<u>\$ 1,090,100</u>	<u>\$ 558,688</u>	<u>\$ 7,308</u>	<u>\$ 565,996</u>
				\$ 228,728
				2,000
				213,927
				<u>50,000</u>
				494,655
				<u>71,341</u>
				<u>\$ 565,996</u>

CITY OF MINNEOLA, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2018

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Minneola is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City of Minneola (the Municipality) and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Minneola City Library. The Library operates the City's public library. The members of the governing board of the Library are approved by the City Council. The Library is fiscally dependent on the City because the City provides substantial financial support in the form of appropriations. In addition, the Library is prohibited from issuing bonded debt without the approval of the City Council.

2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2018:

REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources (including tax levies and transfers from other funds) and payment of general long-term debt.

Business fund – funds financed in whole or in part by fees charged to users for goods or services (i.e. enterprise and internal service funds, etc.).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in the official newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the Equipment Reserve and Capital Improvements special purpose funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2018.

At December 31, 2018, the City's carrying amount of deposits was \$494,655 and the bank balance was \$504,708. Of the bank balance, \$250,000 was covered by federal depository insurance and \$254,708 was collateralized with securities held by the pledging financial institution's agents in the City's name.

C. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2018 were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
General improvements					
Issued September 28, 2009					
In the amount of \$465,000					
At an interest rate of 2.0%-4.25%					
Maturing November 1, 2020	<u>\$ 145,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 100,000</u>	<u>\$ 6,050</u>
Revolving loans:					
Kansas Dept. of Health and Environment					
Issued March 26, 2013					
In the amount of \$712,780					
At an interest rate of 2.16%					
Maturing February 1, 2034	<u>606,501</u>	<u>-</u>	<u>30,958</u>	<u>575,543</u>	<u>12,934</u>
Capital leases:					
2005 Pumper Fire Truck					
Issued March 30, 2017					
In the amount of \$56,000					
At an interest rate of 3.35%					
Maturing April 1, 2022	<u>49,075</u>	<u>-</u>	<u>10,703</u>	<u>38,372</u>	<u>1,481</u>
2015 JD Backhoe					
Issued March 31, 2017					
In the amount of \$95,987					
At an interest rate of 3.25%					
Maturing April 1, 2022	<u>84,082</u>	<u>-</u>	<u>18,368</u>	<u>65,714</u>	<u>2,460</u>
2017 JD Skid Steer					
Issued June 6, 2017					
In the amount of \$27,992					
At an interest rate of 3.25%					
Maturing June 1, 2022	<u>25,383</u>	<u>-</u>	<u>5,325</u>	<u>20,058</u>	<u>746</u>
Total capital leases	<u>158,540</u>	<u>-</u>	<u>34,396</u>	<u>124,144</u>	<u>4,687</u>
Total contractual indebtedness	<u>\$ 910,041</u>	<u>\$ -</u>	<u>\$ 110,354</u>	<u>\$ 799,687</u>	<u>\$ 23,671</u>

Current maturities of general obligation bonds through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2019	<u>\$ 40,000</u>	<u>\$ 4,250</u>	<u>\$ 44,250</u>
2020	<u>60,000</u>	<u>2,550</u>	<u>62,550</u>
Total	<u>\$ 100,000</u>	<u>\$ 6,800</u>	<u>\$ 106,800</u>

C. LONG-TERM DEBT (CONTINUED)

Current maturities of revolving loans for the next five years and in five-year increments through maturity are as follows:

	Principal due	Interest due	Total due
2019	\$ 31,630	\$ 12,262	\$ 43,892
2020	32,317	11,575	43,892
2021	33,019	10,873	43,892
2022	33,736	10,156	43,892
2023	34,469	9,423	43,892
2024-2028	183,903	35,558	219,461
2029-2033	204,758	14,703	219,461
2034	<u>21,711</u>	<u>235</u>	<u>21,946</u>
Total	<u>\$ 575,543</u>	<u>\$ 104,785</u>	<u>\$ 680,328</u>

Current maturities of capital leases through maturity are as follows:

	Principal due	Interest due	Total due
2019	\$ 35,542	\$ 3,541	\$ 39,083
2020	36,718	2,365	39,083
2021	37,948	1,134	39,082
2022	<u>13,936</u>	<u>103</u>	<u>14,039</u>
Total	<u>\$ 124,144</u>	<u>\$ 7,143</u>	<u>\$ 131,287</u>

D. INTERFUND TRANSFERS

A summary of interfund transfers by type is as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfers:			
General	Capital Improvements	K.S.A. 12-1,118	\$ 101,550
General	Equipment Reserve	K.S.A. 12-1,117	46,000
General	Special Highway	K.S.A. 12-1,119	30,000
Water Utility	Bond and Interest	K.S.A. 12-825d	<u>30,000</u>
			<u>\$ 207,550</u>
Transfers to related municipal entity:			
Library	Minneola City Library		\$ 17,880
Library Employee Benefits	Minneola City Library		<u>2,075</u>
			<u>\$ 19,955</u>

E. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and disability other post employment benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2018.

Compensated absences. The City's compensated absence policy permits employees to accrue hours based on years of service and employment classification. The maximum accumulation also depends on years of service and employment classification. Upon reaching the maximum number of hours accrued, the leave accrual will change to extended leave and be deposited into the employee's Extended Illness Bank until the maximum hours are attained.

F. DEFINED BENEFIT PENSION PLAN

General Information about the Plan

Plan description. The City of Minneola participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for KPERS and 20.09% for KP&F for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$11,366 for KPERS and \$11,519 for KP&F for the year ended December 31, 2018.

F. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability

At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$126,988 and \$53,768 for KP&F. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

G. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and, natural disasters. The City purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims have not exceeded coverage in any of the past three years.

H. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 27, 2019, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events required to be recognized or disclosed in the financial statement.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF MINNEOLA, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund:					
General	\$ 492,550	\$ -	\$ 492,550	\$ 479,068	\$ 13,482
Special purpose funds:					
Library	19,000	-	19,000	17,880	1,120
Library employee benefits	2,200	-	2,200	2,075	125
Employee benefits	25,000	-	25,000	22,591	2,409
Special highway	43,915	-	43,915	42,272	1,643
Bond and interest fund:					
Bond and interest	73,050	-	73,050	51,050	22,000
Business funds:					
Water utility	248,892	-	248,892	194,569	54,323
Sewer utility	100,000	-	100,000	66,360	33,640
Trash utility	60,000	-	60,000	41,702	18,298
	<u>\$ 1,064,607</u>	<u>\$ -</u>	<u>\$ 1,064,607</u>	<u>\$ 917,567</u>	<u>\$ 147,040</u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 86,154	\$ 90,636	\$ 90,839	\$ (203)
Delinquent tax	5,752	3,144	500	2,644
Motor vehicle tax	12,726	21,420	22,937	(1,517)
Recreational vehicle tax	151	206	297	(91)
Special assessments	1,500	1,750	750	1,000
Intangibles tax	3,472	2,853	2,013	840
State and federal aid	27,954	-	-	-
Local sales tax	94,688	63,629	40,000	23,629
Franchise tax	36,729	43,487	27,500	15,987
Amounts from Clark County	10,000	86,956	3,000	83,956
Windfarm donations	50,050	101,101	100,100	1,001
Licenses, permits and fees:				
Licenses and permits	600	1,850	1,000	850
Animal control	365	50	-	50
Fines, forfeitures and penalties	32,352	21,381	20,000	1,381
Charges for services	23,827	19,507	15,000	4,507
Interest	887	1,331	-	1,331
Miscellaneous	18,912	28,331	-	28,331
Neighborhood revitalization	(1,407)	(1,215)	(6,833)	5,618
Total receipts	404,712	486,417	\$ 317,103	\$ 169,314
Expenditures:				
General government:				
Personal services	42,109	51,201	\$ 50,000	\$ (1,201)
Contractual services	75,320	80,736	80,000	(736)
Commodities	10,597	17,529	15,000	(2,529)
Capital outlay	806	-	15,000	15,000
Public safety:				
Law enforcement	3,600	3,300	5,000	1,700
Fire department	10,249	3,960	12,000	8,040
Police department:				
Personal services	30,456	42,136	55,000	12,864
Contractual services	-	-	5,000	5,000
Commodities	-	-	5,000	5,000
Capital outlay	20,295	6,559	-	(6,559)
Municipal court:				
Personal services	3,553	2,950	10,000	7,050
Contractual services	14,762	11,293	40,550	29,257
Culture and recreation:				
Personal services	38,026	38,155	45,000	6,845
Contractual services	14,372	38,277	15,000	(23,277)
Commodities	8,987	5,422	15,000	9,578
Capital outlay	10,000	-	-	-
Operating transfers out	49,000	177,550	125,000	(52,550)
Total expenditures	332,132	479,068	\$ 492,550	\$ 13,482
Receipts over (under) expenditures	72,580	7,349		
Unencumbered cash, beginning of year	103,051	175,631	\$ 175,447	\$ 184
Unencumbered cash, end of year	\$ 175,631	\$ 182,980		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 14,726	\$ 14,860	\$ 14,965	\$ (105)
Delinquent tax	1,597	630	100	530
Motor vehicle tax	3,379	3,964	3,847	117
Recreational vehicle tax	39	36	51	(15)
Neighborhood revitalization	(240)	(199)	(1,120)	921
Total receipts	19,501	19,291	<u>\$ 17,843</u>	<u>\$ 1,448</u>
Expenditures:				
Transfer to related municipal entity	18,330	17,880	<u>\$ 19,000</u>	<u>\$ 1,120</u>
Receipts over (under) expenditures	1,171	1,411		
Unencumbered cash, beginning of year	1,617	2,788	<u>\$ 1,157</u>	<u>\$ 1,631</u>
Unencumbered cash, end of year	<u>\$ 2,788</u>	<u>\$ 4,199</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

LIBRARY EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 1,673	\$ 1,664	\$ 1,674	\$ (10)
Delinquent tax	169	70	20	50
Motor vehicle tax	353	441	437	4
Recreational vehicle tax	4	4	6	(2)
Neighborhood revitalization	(27)	(22)	(125)	103
Total receipts	2,172	2,157	<u>\$ 2,012</u>	<u>\$ 145</u>
Expenditures:				
Transfer to related municipal entity	1,953	2,075	<u>\$ 2,200</u>	<u>\$ 125</u>
Receipts over (under) expenditures	219	82		
Unencumbered cash, beginning of year	139	358	<u>\$ 188</u>	<u>\$ 170</u>
Unencumbered cash, end of year	<u>\$ 358</u>	<u>\$ 440</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 12,573	\$ 11,091	\$ 11,174	\$ (83)
Delinquent tax	1,433	539	100	439
Motor vehicle tax	2,744	3,264	3,285	(21)
Recreational vehicle tax	29	30	44	(14)
Miscellaneous	729	-	-	-
Neighborhood revitalization	(205)	(149)	(836)	687
Total receipts	17,303	14,775	<u>\$ 13,767</u>	<u>\$ 1,008</u>
Expenditures:				
General government:				
Contractual services	14,532	22,591	<u>\$ 25,000</u>	<u>\$ 2,409</u>
Receipts over (under) expenditures	2,771	(7,816)		
Unencumbered cash, beginning of year	13,550	16,321	<u>\$ 11,233</u>	<u>\$ 5,088</u>
Unencumbered cash, end of year	<u>\$ 16,321</u>	<u>\$ 8,505</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
State of Kansas gas tax	\$ 18,727	\$ 18,767	\$ 19,280	\$ (513)
Operating transfer in	16,000	30,000	-	30,000
Total receipts	34,727	48,767	\$ 19,280	\$ 29,487
Expenditures:				
Public works:				
Personal services	5,850	7,642	\$ 3,000	\$ (4,642)
Contractual services	2,600	2,000	3,000	1,000
Commodities	38,109	32,630	37,915	5,285
Capital outlay	10,568	-	-	-
Total expenditures	57,127	42,272	\$ 43,915	\$ 1,643
Receipts over (under) expenditures	(22,400)	6,495		
Unencumbered cash, beginning of year	23,065	665	\$ 24,635	\$ (23,970)
Unencumbered cash, end of year	\$ 665	\$ 7,160		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Operating transfers in	<u>\$ 25,000</u>	<u>\$ 46,000</u>
Expenditures:		
Debt service:		
Principal	21,439	34,396
Interest	3,604	4,687
Capital outlay	<u>14,500</u>	<u>27,149</u>
Total expenditures	<u>39,543</u>	<u>66,232</u>
Receipts over (under) expenditures	(14,543)	(20,232)
Unencumbered cash, beginning of year	<u>82,175</u>	<u>67,632</u>
Unencumbered cash, end of year	<u><u>\$ 67,632</u></u>	<u><u>\$ 47,400</u></u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

CAPITAL IMPROVEMENTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Operating transfers in	\$ 13,000	\$ 101,550
Expenditures:		
Capital outlay	<u>7,894</u>	<u>46,665</u>
Receipts over (under) expenditures	5,106	54,885
Unencumbered cash, beginning of year	<u>73,139</u>	<u>78,245</u>
Unencumbered cash, end of year	<u><u>\$ 78,245</u></u>	<u><u>\$ 133,130</u></u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 10,594	\$ 8,449	\$ 8,516	\$ (67)
Delinquent tax	2,647	698	-	698
Motor vehicle tax	6,716	4,113	2,762	1,351
Recreational vehicle tax	80	29	37	(8)
Operating transfers in	30,000	30,000	30,000	-
Neighborhood revitalization	(173)	(113)	(637)	524
Total receipts	<u>49,864</u>	<u>43,176</u>	<u>\$ 40,678</u>	<u>\$ 2,498</u>
Expenditures:				
Debt service:				
Principal	45,000	45,000	\$ 45,000	\$ -
Interest	7,738	6,050	6,050	-
Fees and commission	-	-	2,000	2,000
Cash basis reserve	-	-	20,000	20,000
Total expenditures	<u>52,738</u>	<u>51,050</u>	<u>\$ 73,050</u>	<u>\$ 22,000</u>
Receipts over (under) expenditures	(2,874)	(7,874)		
Unencumbered cash, beginning of year	<u>37,337</u>	<u>34,463</u>	<u>\$ 32,372</u>	<u>\$ 2,091</u>
Unencumbered cash, end of year	<u>\$ 34,463</u>	<u>\$ 26,589</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 174,244	\$ 187,735	\$ 190,000	\$ (2,265)
Miscellaneous	4,794	4,029	-	4,029
Total receipts	179,038	191,764	\$ 190,000	\$ 1,764
Expenditures:				
Public works:				
Personal services	64,486	57,087	\$ 75,000	\$ 17,913
Contractual services	58,246	56,168	75,000	18,832
Commodities	10,864	5,685	20,000	14,315
Capital outlay	4,000	1,737	5,000	3,263
Debt service:				
Principal	30,300	30,958	30,958	-
Interest and fees	13,592	12,934	12,934	-
Operating transfers out	30,000	30,000	30,000	-
Total expenditures	211,488	194,569	\$ 248,892	\$ 54,323
Receipts over (under) expenditures	(32,450)	(2,805)		
Unencumbered cash, beginning of year	83,846	51,396	\$ 58,954	\$ (7,558)
Unencumbered cash, end of year	\$ 51,396	\$ 48,591	\$ 62	\$ 48,529

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 73,436	\$ 79,890	\$ 77,000	\$ 2,890
Expenditures:				
Public works:				
Personal services	47,880	41,901	\$ 50,000	\$ 8,099
Contractual services	21,633	18,477	20,000	1,523
Commodities	7,492	4,982	20,000	15,018
Capital outlay	17,995	1,000	10,000	9,000
Total expenditures	95,000	66,360	\$ 100,000	\$ 33,640
Receipts over (under) expenditures	(21,564)	13,530		
Unencumbered cash, beginning of year	34,795	13,231	\$ 25,795	\$ (12,564)
Unencumbered cash, end of year	\$ 13,231	\$ 26,761	\$ 2,795	\$ 23,966

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

TRASH UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 48,173	\$ 47,391	\$ 60,000	\$ (12,609)
Expenditures:				
Public works:				
Contractual services	41,691	41,702	\$ 60,000	\$ 18,298
Operating transfers out	5,000	-	-	-
Total expenditures	46,691	41,702	\$ 60,000	\$ 18,298
Receipts over (under) expenditures	1,482	5,689		
Unencumbered cash, beginning of year	1,378	2,860	\$ 1,378	\$ 1,482
Unencumbered cash, end of year	\$ 2,860	\$ 8,549	\$ 1,378	\$ 7,171

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

MINNEOLA CITY LIBRARY
(RELATED MUNICIPAL ENTITY)SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASISFor the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2017	2018
Receipts:		
Transfers from City:		
General	\$ 18,330	\$ 17,880
Employee benefits	1,953	2,075
County appropriation	5,000	15,125
State aid	214	200
SWKLS grants	6,007	6,500
Memorials	-	85
Other income	537	4,071
Interest on investments	161	169
Summer reading	1,138	1,130
	<u>33,340</u>	<u>47,235</u>
Total receipts		
Expenditures:		
Culture and recreation:		
Materials	4,790	5,468
Operations	4,066	24,582
Personnel	20,801	19,567
Technology	1,540	9,719
Courier service	300	300
	<u>31,497</u>	<u>59,636</u>
Total expenditures		
Receipts over (under) expenditures	1,843	(12,401)
Unencumbered cash, beginning of year	74,942	76,785
	<u>\$ 76,785</u>	<u>\$ 64,384</u>
Unencumbered cash, end of year		

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